

Project Investment Justification

Digital Transformation - eLicense

BD18001

Department of Financial Institutions

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1. GENERAL INFORMATION

PIJ ID: BD18001

PIJ Name: Digital Transformation - eLicense

Account: Department of Financial Institutions

Business Unit Requesting: Department of Financial Institutions

Sponsor: Robert D. Charlton

Sponsor Title: Superintendent

Sponsor Email: rcharlton@azdfi.gov

Sponsor Phone: (602) 771-2770

2. MEETING PRE-WORK

2.1 What is the operational issue or business need that the Agency is trying to solve? (i.e....current process is manual, which increases resource time/costs to the State/Agency, and leads to errors...):

Currently, Department of Financial Institutions (DFI) does not have an E-License solution and the current technology in place requires manual processes to get carried out by multiple parties within the agency. This leads to a complex support environment due to multiple vendors and home-grown implementations, lack of standards resulting in the inability to modify as needs change quickly, and lack of overall IT strategy to align with current and future technologies being used across the state.

2.2 How will solving this issue or addressing this need benefit the State or the Agency?

Benefits to DFI will include:

- Single vendor support in regards to CRM & eLicense Platform
- Standardized citizen experience
- Adaptable solution to quickly adjust to changing business needs
- A statewide contract will reduce overall costs

2.3 Describe the proposed solution to this business need.

The State of Arizona has created an Enterprise contract for Budget Units (BU) authorized to issue licenses, permits or other such documents to individuals, professionals, and organizations to engage in a regulated business or professional activity. This solution proposes an Enterprise e-Licensing Software as a Service (SaaS) Solution that is specifically configurable to the needs of Budget Units including license workflow management for businesses vs professional licensing. This is a SaaS solution that enables all licensing-related activities within the BU's. This technology solution will be a web-based application, web-hosted and Vendor Managed. Furthermore, this solution will be implemented on a Salesforce platform that will allow for integration with current systems in place at DFI and new technologies implemented in conjunction with and in the future at DFI.

2.4 Has the existing technology environment, into which the proposed solution will be implemented, been documented?

Yes

2.4a Please describe the existing technology environment into which the proposed solution will be implemented.

2.5 Have the business requirements been gathered, along with any technology requirements that have been identified?

Yes

2.5a Please explain below why the requirements are not available.

3. PRE-PIJ/ASSESSMENT

3.1 Are you submitting this as a Pre-PIJ in order to issue a Request for Proposal (RFP) to evaluate options and select a solution that meets the project requirements?

No

3.1a Is the final Statement of Work (SOW) for the RFP available for review?

3.2 Will you be completing an assessment/Pilot/RFP phase, i.e. an evaluation by a vendor, 3rd party or your agency, of the current state, needs, & desired future state, in order to determine the cost, effort, approach and/or feasibility of a project?

Yes

3.2a Describe the reason for completing the assessment/pilot/RFP and the expected deliverables.

The Department of Financial Institutions (DFI) completed an assessment of all internal needs & wants for a complete digital transformation in order to capture the business requirements for all areas of business units within DFI. This assessment was completed by a 3rd party (MSS) that specializes in IT Assessments. Once all business requirements were gathered and agreed upon, these requirements were used to solicit vendors that would be able to address all or some of the identified requirements and to provide SOW & Quotes to be used for vendor selection.

3.2b Provide the estimated cost, if any, to conduct the assessment phase and/or Pilot and/or RFP/solicitation process.

0

3.2e Based on research to date, provide a high-level cost estimate to implement the final solution.

1400000

4. PROJECT

4.1 Does your agency have a formal project methodology in place?

Yes

4.2 Describe the high level makeup and roles/responsibilities of the Agency, Vendor(s) and other third parties (i.e. agency will do...vendor will do...third party will do).

Deloitte will be the managing vendor. MSS Technologies will manage the vendor as well as coordinate with and assist The Department of Financial Institutions throughout the duration of this project.

4.3 Will a PM be assigned to manage the project, regardless of whether internal or vendor provided?

Yes

4.3a If the PM is credentialed, e.g., PMP, CPM, State certification etc., please provide certification information.

4.4 Is the proposed procurement the result of an RFP solicitation process?

Yes

4.5 Is this project referenced in your agency's Strategic IT Plan?

Yes

5. SCHEDULE

5.1 Is a project plan available that reflects the estimated Start Date and End Date of the project, and the supporting Milestones of the project?

Yes

5.2 Provide an estimated start and finish date for implementing the proposed solution.

Est. Implementation Start Date

Est. Implementation End Date

7/2/2018 12:00:00 AM

4/5/2019 12:00:00 AM

5.3 How were the start and end dates determined?

Based on project plan

5.3a List the expected high level project tasks/milestones of the project, e.g., acquire new web server, develop software interfaces, deploy new application, production go live, and estimate start/finish dates for each, if known.

Milestone / Task	Estimated Start Date	Estimated Finish Date
Data Discovery	07/02/18	07/16/18
MSS Project Management	07/02/18	03/31/19
Data Migration Design	07/09/18	08/31/18
Design & Build (Sprint 1)	07/09/18	08/12/18
Integration Design	07/16/18	08/24/18

Design & Build (Sprint 2)	08/13/18	09/16/18
Testing of System and Acceptance of Data Loads	08/13/18	12/28/18
Integration Development	08/27/18	11/16/18
Data Migration Design	09/03/18	11/16/18
Design & Build (Sprint 3)	09/17/18	10/21/18
Hardening of Design	10/22/18	11/16/18
System Interface Testing	11/19/18	12/07/18
Mock Loads	11/19/18	12/28/18
UAT & Deployment (MSS & DFI)	11/19/18	01/11/19
User Acceptance Testing	12/10/18	12/28/18
Deployment & Post-Go Live Support	01/07/19	03/31/19
Deployment	01/07/19	01/11/19
Post Go-Live Support (Deloitte)	01/14/19	01/25/19
End User Training	01/14/19	03/31/19
Decommission of Legacy Systems	02/04/19	03/31/19

5.4 Have steps needed to roll-out to all impacted parties been incorporated, e.g. communications, planned outages, deployment plan?

No

5.5 Will any physical infrastructure improvements be required prior to the implementation of the proposed solution. e.g., building reconstruction, cabling, etc.?

No

5.5a Does the PIJ include the facilities costs associated with construction?

No

5.5b Does the project plan reflect the timeline associated with completing the construction?

No

6. IMPACT

6.1 Are there any known resource availability conflicts that could impact the project?

No

6.1a Have the identified conflicts been taken into account in the project plan?

No

6.2 Does your schedule have dependencies on any other projects or procurements?

Yes

6.2a Please identify the projects or procurements.

As this project is to include data migration, API for signature/payment/storage and other, as well as integrations with G-Suite there are changes taking place that this solution, in its entirety, relies on the completion of other projects in order for this solution to completely implemented within the proposed project timeline.

Google - DFI already Migrated

AODocs - Discussion on adoption taking place

Adobe/DocuSign - work to select the best solution taking place

Cloud RFP - closing with the timeframe suggested

AZ E-Licensing Project - Phase 1 - completed

6.3 Will the implementation involve major end user view or functionality changes?

Yes

6.4 Will the proposed solution result in a change to a public-facing application or system?

Yes

7. BUDGET

7.1 Is a detailed project budget reflecting all of the up-front/startup costs to implement the project available, e.g, hardware, initial software licenses, training, taxes, P&OS, etc.?

Yes

7.2 Have the ongoing support costs for sustaining the proposed solution over a 5-year lifecycle, once the project is complete, been determined, e.g., ongoing vendor hosting costs, annual maintenance and support not acquired upfront, etc.?

Yes

7.3 Have all required funding sources for the project and ongoing support costs been identified?

Yes

7.4 Will the funding for this project expire on a specific date, regardless of project timelines?

Yes

7.5 Will the funding allocated for this project include any contingency, in the event of cost over-runs or potential changes in scope?

Yes

8. TECHNOLOGY

8.1 Please indicate whether a statewide enterprise solution will be used or select the primary reason for not choosing an enterprise solution.

The project is using a statewide enterprise solution

8.2 Will the technology and all required services be acquired off existing State contract(s)?

Yes

8.3 Will any software be acquired through the current State value-added reseller contract?

Yes

8.3a Describe how the software was selected below:

The software was selected based off of existing State contracts and enterprise solutions being offered at this time. An RFI was sent out to potential vendors along with business requirements. After receiving the suggested 3 quotes/SOW/proposals; the vendor was selected based on ability to fulfill ALL business requirements listed; on an enterprise solution that other State Agencies are currently using.

8.4 Does the project involve technology that is new and/or unfamiliar to your agency, e.g., software tool never used before, virtualized server environment?

Yes

8.5 Does your agency have experience with the vendor (if known)?

No

8.6 Does the vendor (if known) have professional experience with similar projects?

Yes

8.7 Does the project involve any coordination across multiple vendors?

Yes

8.8 Does this project require multiple system interfaces, e.g., APIs, data exchange with other external application systems/agencies or other internal systems/divisions?

Yes

8.9 Have any compatibility issues been identified between the proposed solution and the existing environment, e.g., upgrade to server needed before new COTS solution can be installed?

Yes

8.9a Describe below the issues that were identified and how they have been/will be resolved, or whether an ADOA-ASET representative should contact you.

Please see attached workbook: "Business Requirements - Aggregate 2.0.xlsx" as there are numerous items identified with the proposed solution or listed integrations that are to take place during this project.

8.10 Will a migration/conversion step be required, i.e., data extract, transformation and load?

Yes

8.11 Is this replacing an existing solution?

Yes

8.11a Indicate below when the solution being replaced was originally acquired.

ADOA developed the solution for DFI and DFI acquired the solution in July 1996.

8.11b Describe the planned disposition of the existing technology below, e.g., surplus, retired, used as backup, used for another purpose:

Existing technology will be used for backup and retention purposes until it is able to be retired.

8.12 Describe how the agency determined the quantities reflected in the PIJ, e.g., number of hours of P&OS, disk capacity required, number of licenses, etc. for the proposed solution?

License quantities were based on DFI users and current year over year trends in regards to licenses, applications, renewals.

The number of hours was determined in SOW delivered to DFI from the selected vendor.

8.13 Does the proposed solution and associated costs reflect any assumptions regarding projected growth, e.g., more users over time, increases in the amount of data to be stored over 5 years?

Yes

8.14 Does the proposed solution and associated costs include failover and disaster recovery contingencies?

Yes

8.14a Please select why failover and disaster recovery is not included in the proposed solution.

8.15 Will the vendor need to configure the proposed solution for use by your agency?

Yes

8.15a Are the costs associated with that configuration included in the PIJ financials?

Yes

8.16 Will any app dev or customization of the proposed solution be required for the agency to use the project in the current/planned tech environment, e.g. a COTS app that will req custom programming, an agency app that will be entirely custom developed?

No

8.16a Will the customizations inhibit the ability to implement regular product updates, or to move to future versions?

No

8.16b Describe who will be customizing the solution below:

All customizations will be completed by the selected vendor.

8.16c Do the resources that will be customizing the application have experience with the technology platform being used, e.g., .NET, Java, Drupal?

Yes

8.16d Please select the application development methodology that will be used:

8.16e Provide an estimate of the amount of customized development required, e.g., 25% for a COTS application, 100% for pure custom development, and describe how that estimate was determined below:

8.16f Are any/all Professional & Outside Services costs associated with the customized development included in the PIJ financials?

Yes

8.17 Have you determined that this project is in compliance with all applicable statutes, regulations, policies, standards & procedures, incl. those for network, security, platform, software/application &/or data/info found at aset.az.gov/resources/psp?

Yes

8.17a Describe below the compliance issues that were identified and how they have been/will be resolved, or whether an ADOA-ASET representative should contact you:

8.18 Are there other high risk project issues that have not been identified as part of this PIJ?

No

8.18a Please explain all unidentified high risk project issues below:

9. SECURITY

9.1 Will the proposed solution be vendor-hosted?

Yes

9.1a Please select from the following vendor-hosted options:

Other

9.1b Describe the rationale for selecting the vendor-hosted option below:

Salesforce hosts the SaaS on their servers in their cloud and this is in keeping with the "Cloud First" strategy.

9.1c Has the agency been able to confirm the long-term viability of the vendor hosted environment?

Yes

9.1d Has the agency addressed contract termination contingencies, e.g., solution ownership, data ownership, application portability, migration plans upon contract/support termination?

Yes

9.1e Has a Conceptual Design/Network Diagram been provided and reviewed by ASET-SPR?

Yes

9.1f Has the spreadsheet located at <https://aset.az.gov/arizona-baseline-security-controls-excel> already been completed by the vendor and approved by ASET-SPR?

Yes

9.2 Will the proposed solution be hosted on-premise in a state agency?

No

9.2a Where will the on-premise solution be located:

9.2b Were vendor-hosted options available and reviewed?

9.2c Describe the rationale for selecting an on-premise option below:

9.2d Will any data be transmitted into or out of the agency's on-premise environment or the State Data Center?

9.3 Will any PII, PHI, CGIS, or other Protected Information as defined in the 8110 Statewide Data Classification Policy be transmitted, stored, or processed with this project?

Yes

9.3a Describe below what security infrastructure/controls are/will be put in place to safeguard this data:

SPR has certified Salesforce to be adequately secure for this information.

10. AREAS OF IMPACT

Application Systems

az.gov Web Portal Application

Database Systems

Database Consolidation/Migration/Extract Transform and Load Data

Software

COTS Application Acquisition

Hardware

Hosted Solution (Cloud Implementation)

Vendor Hosted

Security

Telecommunications

Enterprise Solutions

eLicensing

Contract Services/Procurements

11. FINANCIALS

Description	PIJ Category	Cost Type	Fiscal Year Spend	Quantity	Unit Cost	Extended Cost	Tax Rate	Tax	Total Cost
SalesForce Basic Gov. YR1	License & Maintenance Fees	Development	1	65	\$850	\$55,247	860.00 %	\$4,751	\$59,999
UnlimitedEdition Gov. Cloud Yr.1	License & Maintenance Fees	Development	1	1	\$2,400	\$2,400	860.00 %	\$206	\$2,606
SalesForce LGTNG USER Yr1	License & Maintenance Fees	Development	1	65	\$404	\$26,270	860.00 %	\$2,259	\$28,529
SalesForce Community License Yr1	License & Maintenance Fees	Development	1	9000	\$0	\$1,710	860.00 %	\$147	\$1,857
Deloitte Implementation	Professional & Outside Services	Development	1	1	\$840,000	\$840,000	0.00 %	\$0	\$840,000
MSS Technologies Professional Services	Professional & Outside Services	Development	1	1	\$472,820	\$472,820	0.00 %	\$0	\$472,820
Basic Gov. Yr2	License & Maintenance Fees	Operational	2	65	\$850	\$55,247	860.00 %	\$4,751	\$59,999
Unlimited Edition Gov. Cloud Yr2	License & Maintenance Fees	Operational	2	1	\$2,400	\$2,400	860.00 %	\$206	\$2,606
SalesForce LGTNG USER Yr2	License & Maintenance Fees	Operational	2	65	\$404	\$26,270	860.00 %	\$2,259	\$28,529
SalesForce Community License Yr2	License & Maintenance Fees	Operational	2	36000	\$0	\$6,840	860.00 %	\$588	\$7,428
SalesForce LGTNG USER Yr3	License & Maintenance Fees	Operational	3	65	\$404	\$26,270	860.00 %	\$2,259	\$28,529
SalesForce Community License Yr3	License & Maintenance Fees	Operational	3	36000	\$0	\$6,840	860.00 %	\$588	\$7,428
Unlimited Edition gov. Cloud Yr3	License & Maintenance Fees	Operational	3	1	\$2,400	\$2,400	860.00 %	\$206	\$2,606
Basic Gov Yr3	License & Maintenance Fees	Operational	3	65	\$850	\$55,247	860.00 %	\$4,751	\$59,999
Basic Gov. Yr4	License & Maintenance Fees	Operational	4	65	\$850	\$55,247	860.00 %	\$4,751	\$59,999
Unlimited Edition gov. Cloud Yr4	License & Maintenance Fees	Operational	4	1	\$2,400	\$2,400	860.00 %	\$206	\$2,606
SalesForce LGTNG USER Yr4	License & Maintenance Fees	Operational	4	65	\$404	\$26,270	860.00 %	\$2,259	\$28,529
SalesForce Community License Yr4	License & Maintenance Fees	Operational	4	36000	\$0	\$6,840	860.00 %	\$588	\$7,428
Basic Gov. Yr5	License & Maintenance Fees	Operational	5	65	\$850	\$55,247	860.00 %	\$4,751	\$59,999
Unlimited Edition Gov. Cloud Yr5	License & Maintenance Fees	Operational	5	1	\$2,400	\$2,400	860.00 %	\$206	\$2,606
SalesForce LGTNG USER Yr5	License & Maintenance Fees	Operational	5	65	\$404	\$26,270	860.00 %	\$2,259	\$28,529
SalesForce Community License Yr5	License & Maintenance Fees	Operational	5	36000	\$0	\$6,840	860.00 %	\$588	\$7,428

Base Budget (Available)	Base Budget (To Be Req)	Base Budget % of Project
\$5,811		0%
APF (Available)	APF (To Be Req)	APF % of Project
\$1,400,000	\$0	77%
Other Appropriated (Available)	Other Appropriated (To Be Req)	Other Appropriated % of Project
\$0	\$422,260	23%
Federal (Available)	Federal (To Be Req)	Federal % of Project
\$0	\$0	0%
Other Non-Appropriated (Available)	Other Non-Appropriated (To Be Req)	Other Non-Appropriated % of Project
\$0	\$0	0%

Total Budget Available	Total Development Cost
\$1,405,811	\$1,405,811
Total Budget To Be Req	Total Operational Cost
\$422,260	\$394,249
Total Budget	Total Cost
\$1,828,071	\$1,800,060

12. PROJECT SUCCESS

Please specify what performance indicator(s) will be referenced in determining the success of the proposed project (e.g. increased productivity, improved customer service, etc.)? (A minimum of one performance indicator must be specified)

Please provide the performance objective as a quantifiable metric for each performance indicator specified.

Note: The performance objective should provide the current performance level, the performance goal, and the time period within which that performance goal is intended to be achieved. You should have an auditable means to measure and take corrective action to address any deviations.

Example: Within 6 months of project completion, the agency would hope to increase "Neighborhood Beautification" program registration by 20% (3,986 registrants) from the current registration count of 19,930 active participants.

Performance Indicators

Performance Indicators

1. Within 3 months of project completion, DFI should have reduced the number of internal systems required for DFI work processes from six systems to one.
2. Within 6 months of project completion, the number of on-line non-mortgage licensees should increase by 35%.
3. Within 6 months of project completion, the touch time for license applications should decrease by 30%. Touch time is the time that the application is actually being worked on and does not include time spent waiting for input from the prospective licensee.

13. CONDITIONS

Conditions for Approval

1. As a result of the selection process, should the final costs exceed the estimated costs by 10% or more, or should there be significant changes to the proposed technology, scope of work or implementation schedule, the Department of Financial Institutions must amend the PIJ to reflect the changes and submit it to ADOA-ASET, ITAC & JLBC for review and approval prior to any expenditure of funds.

14. ENGAGEMENT MANAGER COMMENTS

Project Background

The proposed Salesforce solution will bring DFI to a single internal system that integrates with all of the necessary external systems required for DFI to operate in today's technology. By implementing this system, DFI will have the ability to operate in the cloud, reduce and eventually eliminate physical hardware and maintenance, as well as continue to grow this one platform to align with the changes in the technology industry in future years.

Business Justification

This digital transformation will eliminate the use of outdated technology that has reached or passed end-of-life support for certain systems. In implementing this new technology, DFI will have the ability to reduce manual processes and automate them, increasing the efficiency of the Department as a whole. Furthermore, this new technology will allow DFI to continue adjusting to industry-specific and technology changes moving forward. Additionally, the new solution will align with the State's Strategic direction of enterprise software hosted in the cloud.

Implementation Plan

The selected vendor has proposed a 6-9 month time for implementation. The first 6 weeks of the project plan will include MSS (PM/Oversight/Staff Aug.) working with DFI Staff and Deloitte to complete pre-implementation preparation. Once pre-implementation preparation is complete, Deloitte will begin working on the project for the following 26 weeks. This work will include Data Conversions, Data Migrations, User Acceptance Testing & a week of support after "go-live". From there, MSS will continue working with DFI to decommission existing technologies properly, continued project oversight & reporting, change management within DFI & additional support for the following 6 weeks. Additionally, as a cloud-based solution is sought, there will be minimal, if any, implementation on-site.

Vendor Selection

The Department of Financial Institutions brought in a vendor (MSS) to help conduct a review of Business Requirements so as to begin looking for solutions that would fulfil all of the required functions of DFI. With these business requirements, we reviewed over 5 vendors for their ability to address all areas defined as "need to have" and "nice to have" functions within their solutions. As a result of these reviews, 3 vendors were asked for quotes on their proposed solution along with a 5-year TCO. From those 3 quotes, a vendor was selected in Deloitte to implement a Salesforce solution in a cloud environment. This selection aligns with the States overall IT Strategy by going to the cloud as well as utilizing State Contracts in place for an Enterprise eLicense Solution. On top of Deloitte and in lieu of previous attempts by Board of Appraisals and Department of Financial Institutions failed attempts to implement an eLicense solution and reduce dependencies on outdated technology, MSS was also recommended to continue Project Oversight on the project as well as complete data mapping, clean-up and preparation so as to reduce the risks associated with delays in the project timeline as well as provide assistance to DFI with items they are not currently able to perform without assistance.

Budget or Funding Considerations

This project is heavily reliant on the funding coming from Automated Project Funds for implementation (1.4 million) and the remainder of the first year development cost will be covered with General Funds from the DFI budget.

15. PIJ REVIEW CHECKLIST

Agency Project Sponsor

Robert D. Charlton, Superintendent

Agency CIO (or Designee)

Robert D. Charlton, Superintendent

Agency ISO (or designee)

Robert D. Charlton, Superintendent

OSPB Representative

Jacob Wingate

ASET Engagement Manager

Brandon Kent

ASET SPR Representative

Thomas Considine

Agency SPO Representative

Agency CFO

Lola L. Duncan, Admin. Mgr.